

Dividend Distribution Policy

1. PREAMBLE

As per Regulation 43A of SEBI (LODR) Regulations (Amended), 2015, the top (1000) listed entities on market capitalization (calculated as on March 31 of every financial year) shall formulate dividend distribution policy which shall be disclosed in their annual Reports and on their Annual Reports and on their websites. Nath Bio-Genes (India) Limited being one of the top 1000 listed companies as per the market capitalization, frames this policy to comply With the SEBI (LODR) Regulations, 2015.

2. OBJECTIVE

The objective of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect Dividend

3. PHILOSOPHY.

The Company is deeply committed to driving superior value creation for all its shareholders. The Company believes that driving growth creates maximum shareholder value and thus it would first like to deploy its profits to fund its working capital requirements, capital expenditure requirements, reducing debt, allocate reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

4. DEFINITION

Company- Means Nath Bio-Genes (India) Limited.

'Board' or 'Board of Directors' means Board of Directors of the Company.

'Dividend' means Dividend as defined under Companies Act, 2013.

'Policy or this Policy' means the Dividend Distribution Policy.

'SEBI (LODR) Regulations' means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or reenactment(s) thereof for the time being in force.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

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Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

Internal Factors / Financial Parameters - The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to Shareholders.

- Investment Opportunities, for expansion and diversification into new project, acquisitions and other potential strategic action that may help grow Company.
- Liquidity position of the Company.
- Growth in earnings of the Company.
- Restrictions in debt agreements executed with lenders in relation to the Payment of dividends.
- The Board of Directors of the Company would consider its working capital requirements, R&D expenditure, and capital expenditure requirements for future growth before declaring the dividend.
- The dividend declaration would also depend upon the liquidity position of the Company, Outstanding borrowings and the cash flow required to meet contingencies.
- The Board of Directors of the Company shall also consider past dividend trends of the Company.
- Contingencies Requirements.
- State of Economy and Nature of Industry.
- Macro-economic and business Condition in General.
- Any other factors before declaring the dividend.

External Factors- The Board of Directors of the Company would consider the following external parameters before declaring or recommending dividend to Shareholders.

- Dividend declared would be in compliance with prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws.
- The Board of Directors of the Company would consider dividend pay-out ratios of Companies in the same industry.
- Prevailing legal requirements, tax rules, Government policies and statutory conditions or restrictions as may be provided under applicable laws.
- The declaration of dividends and its quantum may have a positive impact on the market prices.
- The Company may also consider the rate of inflation when declaration of dividend.

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND.

The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The shareholders of the Company may not expect Dividend under the following circumstances.

- In case the Company is undertaking significant expansion which would require higher allocation of resources.
- If the Company requires significant amount of working capital to fund its future growth.
- In case the Company proposes to use surplus cash for buy-back of securities.



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- In the event of inadequacy of profits or whenever the Company has incurred losses

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due parameters laid down in this Policy.

6. UTILISATION OF RETAINED EARNING.

The Company maintains enough retained earnings to address the financing of working capital, capital expenditure, corporate actions, inter alia, buyback and reduction of capital, and unanticipated and emergency expenditures.

The Company may also use the retained earnings for such purposes as are within the Provisions the Act, Rules, Listing Regulations, and any other applicable law.

7. AMENDMENTS

The Board may, subject to applicable law, amend, suspend, or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board and/ or administrative committee of the Board, in line with the broad intent of this Policy, as and when required.

8. DISCLAIMER

This Policy shall not be construed as a solicitation for investments in the Company's Securities and shall neither act as an assurance of guaranteed returns (in any form), On investments in the Company's securities.

9. CHANGE IN LAW.

In case of any subsequent changes in the provisions of the Act or further rules and regulations / guidelines from the Securities and Exchange Board of India including the Listing Regulations or any other regulations which makes any of the provisions of this Policy inconsistent, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in the Policy would be modified accordingly in due course to make it consistent with applicable laws.

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